



# Iowa State Bank

*It's Nice To Be Home*



IOWA STATE BANK  
COMMUNITY REINVESTMENT HOME LOAN PROGRAM.  
May 1, 2015 – May 1, 2018 (Extended)

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| <b>PURPOSE:</b>               | Recognizing the need to revitalize the low - and moderate - income neighborhoods of Des Moines, Iowa State Bank (ISB) has developed the Community Reinvestment Home Loan Program to identify affordable housing credit needs within the community.  |
| <b>PROGRAM<br/>LOAN FUND:</b> | Over the next three years, Iowa State Bank will make available up to \$4,500,000 (\$1,500,000 per year) for affordable home loans and home improvement loans. The loan commitment will include loans originating from direct requests and through various community organizations, including but not limited to: H.O.M.E., Inc., the Des Moines Municipal Housing Council, Inc., and the East Des Moines Designated Investment Fund.                |
| <b>TARGET<br/>AREA:</b>       | Loans to applicants in this Program will not be limited by income caps <u>inside</u> Iowa State Bank's community delineated Low - to Moderate - Income (LMI) area, as identified by the U.S. Census Bureau and the U.S. Department of H.U.D. Applicants seeking loans <u>outside</u> of the identified LMI census tracts in our community delineation will be considered if their income is 80% or less of the median income.                       |
| <b>LOAN SIZE:</b>             | There is no minimum loan amount for home purchase or home improvement loans. The maximum loan amount within this program is <u>\$150,000</u> .  |
| <b>LOAN TYPES:</b>            | Loans in this program are available for:<br>A. Fixed rate mortgages for purchase or combined purchase/rehabilitation of owner-occupied residential property, and<br>B. fixed rate home improvement loans for owner-occupied dwellings.  |
| <b>LOAN TERMS:</b>            | Fixed rate loans are available for <u>up to</u> 30 years on residential purchase mortgages. Fixed rate loans of <u>up to</u> 10 years are available on Home Improvement loans of \$10,000.00 or greater, and <u>up to</u> 7 years on loans under \$10,000.00.   |
| <b>INTEREST RATE:</b>         | Call 288-0111 for current market fixed interest rate quotes for this program.   |
| <b>DOWN<br/>PAYMENT:</b>      | The Bank will finance loans in this program for a minimum down payment of 3% to qualified borrowers. <u>Private Mortgage Insurance (PMI) will be required for down payments of less than 10%, as stipulated by the Iowa Code.</u>   |
| <b>DEBT-TO-<br/>INCOME:</b>   | Housing debt-to-income should not exceed 31% of gross monthly income. Housing debt includes principal, interest, taxes, hazard insurance, PMI (if applicable), and homeowner association fees. Total debt-to-income, including all fixed monthly payments, shall not exceed 40% of gross monthly income to qualify for this loan program. (All mortgage loans will be ran through Fannie Mae desktop system to determine underwriting eligibility.) |
| <b>FEES:</b>                  | ISB will charge a one-time origination and documentation fee of \$500.00 to cover costs for a home purchase loan.   |
| <b>CLOSING<br/>COSTS:</b>     | The financing of closing costs will be determined on a case by case basis at the discretion of ISB. "Cash On Hand" is an acceptable source of funds for loan closing. "Cash" for the Closing Costs will not be required to be held by the Bank, prior to the loan closing.  |

**UNDER-  
WRITING:**

Iowa State Bank will emphasize the applicant's ability to repay. Lack of credit history will not be viewed unfavorably. In such cases, ISB will consider the applicant's history of payments of alternative credits (i.e., rent, utilities and other debt within the past 12 months) prior to the loan application.

Within the previous 24 months, late contractual payments should not exceed:

- A. Revolving Credit: No more than one payments 30 days past due, and no payments 60 days past due.
- B. Installment Credit: No more than one payments 30 days past due, and no payments 60 days past due.
- C. No judgments, collections or charge-offs. A satisfactory explanation will be considered; however, all judgments, collections or charge-offs and liens must be satisfied. Exceptions may apply to medical collection accounts in a current repayment status with evidence of timely payment history.

Homebuyer's Education Program will be recommended to applicants not qualifying for this program.

**CO-SIGNER OR  
GUARANTORS:**

If loan applicants are not qualified based on employment or income criteria, a qualified co-signer or qualified guarantor of the requested debt may be considered.

**EMPLOY-  
MENT  
HISTORY:**

Loan applicants will be expected to have one year of income continuity. In verifying income, ISB will consider all sources of family income, including: self-employment, social security, and public assistance to determine an applicant's ability to repay the loan.

**MONITORING:**

Iowa State Bank will provide periodic reports to the Board of Directors and the program expires May 31, 2017 at which time the Bank's CRA Loan Program will be re-evaluated.

**MARKETING:**

Iowa State Bank will work with community organizations to market the program in the identified low - and moderate - income areas of Des Moines. Included in this marketing effort will be any other community-based affordable housing organization interested in promoting ISB's loan program.

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For more information, please call:

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